

PUBLIC DISCLOSURE

January 20, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

EVERETT CO-OPERATIVE BANK

419 BROADWAY
EVERETT, MA 02149

DIVISION OF BANKS
100 CAMBRIDGE STREET
BOSTON, MA 02202

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire local community, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **EVERETT CO-OPERATIVE BANK** prepared by the Massachusetts Division of Banks, the institution's supervisory agency, as of **JANUARY 20, 1999**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated "Outstanding"

Everett Cooperative Bank has had an exceptional level of performance in addressing the credit needs of low- and moderate-income borrowers and penetrating low- and moderate-income census tracts within its assessment area.

Analysis of lending inside the assessment area revealed that the bank made 33.4 percent of its reportable loans to low- and moderate-income borrowers. A comparative analysis of the bank and all other lenders within the assessment area was performed. Everett Cooperative Bank originated 38.0 percent of its HMDA reportable loans in 1997 to low- and moderate-income borrowers. Aggregate data for all other lenders within the assessment area for the same period, reveals that 29.3 percent of all originations within the assessment area were to low- and moderate-income borrowers.

An analysis of the geographic distribution of lending inside the assessment area shows Everett Cooperative Bank out performing the aggregate in regards to penetration of low- and moderate-income census tracts. For the time period covered, the bank originated 60.8 percent of its reportable loans in low- or moderate-income census tracts. An analysis of 1997 aggregate data shows Everett Cooperative Bank far outpacing all other lenders with 58.0 percent of its loan originated in low- or moderate-income census tracts compared to 32.3 percent for the aggregate.

The bank's average net-loan-to deposit ratio rests at 95.4 percent. This, coupled with 69.8 percent of all HMDA reportable originations being inside the assessment area, indicates a strong willingness to meet the credit needs of its community.

The bank's outstanding level of performance is noteworthy particularly in light of its limited branch network. The bank's expanding efforts in the area of small business lending as well as its qualified community development grants and services enhanced its overall performance levels.

PERFORMANCE CONTEXT

Description of Institution

Everett Co-operative Bank is a state chartered financial institution founded in 1890. As of December 30, 1998, the institution had total assets of \$121,231,000. The bank's full service office is located at 419 Broadway, Everett. The bank has recently opened a Loan Center in Wakefield and operates two Automatic Teller Machines (ATM): one at the bank's main office and the other located at 103 Garland Street (Whidden Memorial Hospital) also in Everett. As of December 30, 1998, the bank employs 35 full time employees.

As of December 30, 1998, net loans comprised 75.9 percent of the institution's total assets. The largest portion of the loan portfolio is comprised of loans secured by residential 1-4 family properties. These loans represent 88.8 percent of the total loan portfolio. Other loans in the portfolio consist of commercial real estate and multi-family, which represent 7.0 percent and 1.6 percent, respectively. The remaining 2.6 percent of the loan portfolio consist of consumer and commercial loans.

Refer to the following table for additional information on the breakdown of loans.

LOAN TYPE	AMOUNT\$ 000's	PERCENT
1-to-4 Family Residential	82,887	88.8
Multi-family Real Estate	1,463	1.6
Commercial Real Estate	6,550	7.0
Commercial	1,400	1.5
Consumer	987	1.1
Other Loans	0	0.0
GROSS LOANS	93,287	100.0

Source: December 30, 1998 Call Report

There has been a slight change in the composition of the portfolio since the previous examination. With the hiring of more experienced commercial lenders, the bank has experienced growth in commercial and commercial real estate loan originations. At the

previous examination, commercial real estate and commercial loans comprised 4.0 percent of the loan portfolio, whereas they now total 8.5 percent. Loans secured by residential 1-4 family properties represented 91.0 percent as compared to the current 88.8 percent. Multi-family residential loans have also experienced a slight decline from 3.0 percent to 1.6 percent.

The asset size of the institution has increased significantly since the previous examination. Assets have grown in excess of 30 percent, from \$93 million to the current level of \$121 million. This growth is a direct result of management's business and strategic plan to increase the size of the institution.

Banking hours are considered convenient and accessible to the public. The bank hours are Monday through Friday from 8:00am to 4:00pm with extended hours on Thursday from 8:00am to 7:00pm. On Saturday the bank is open from 8:00am to 2:00pm.

Everett Co-operative Bank was last examined for compliance with the Community Reinvestment Act by the Federal Deposit Insurance Corporation (FDIC) on May 5, 1997. That examination resulted in an overall rating of "Outstanding".

Description of Assessment Area

Everett Co-operative Bank has substantially changed its assessment area since the previous Division of Banks examination on November 16, 1995. At that examination, the assessment area consisted only of the Cities of Everett and Malden. The present assessment area consists of the following cities and towns: Everett, Chelsea, Malden, Medford, Melrose, Revere, Somerville and Winthrop. All the cities and towns are located in the Boston Metropolitan Statistical Area (MSA).

The current assessment area has a total of 66 census tracts. The income breakdown of the tracts is as follows: 2 low-income tracts, 25 moderate-income tracts, 36 middle-income tracts, 2 upper-income tracts and 1 tract listed as NA.

ASSESSMENT AREA DEMOGRAPHICS				
INCOME LEVEL	CENSUS TRACTS IN ASSESSMENT AREA	CENSUS TRACT PERCENTAGE	FAMILY HOUSEHOLDS	HOUSEHOLD PERCENTAGE
LOW	2	3.03	2,240	1.66
MODERATE	25	37.88	54,172	40.18
MIDDLE	36	54.55	73,800	54.73
UPPER	2	3.03	4,627	3.43
NA	1	1.52	0	0.00
TOTAL	66	100.0	134,839	100.0

Source: 1990 Census Data

The assessment area has a total population of 340,975, 12.4 percent of whom are minority.

The assessment area is composed of 142,779 housing units, of which 41.91 percent are owner-occupied, and 52.74 percent are renter occupied. Of the total housing units in the assessment area, 23.64 percent are multi-family units. Approximately 74.84 percent of these units are located in 1-4 family dwellings. The weighted average median housing value for the assessment area according to the 1990 census is \$166,426.

The 1998 median family income for the Boston MSA is \$60,000. The weighted average of family income for the assessment area is \$41,417 which is 31.0 percent less than the Boston MSA median family income. Census data for 1990 indicates that 10.75 percent of the assessment area's population live below the poverty level, compared to 8.9 percent statewide. Of the 134,839 total family households, 29.0 percent are low-income, 19.0 percent are moderate-income, 21.0 percent are middle-income and 31.0 percent are upper-income.

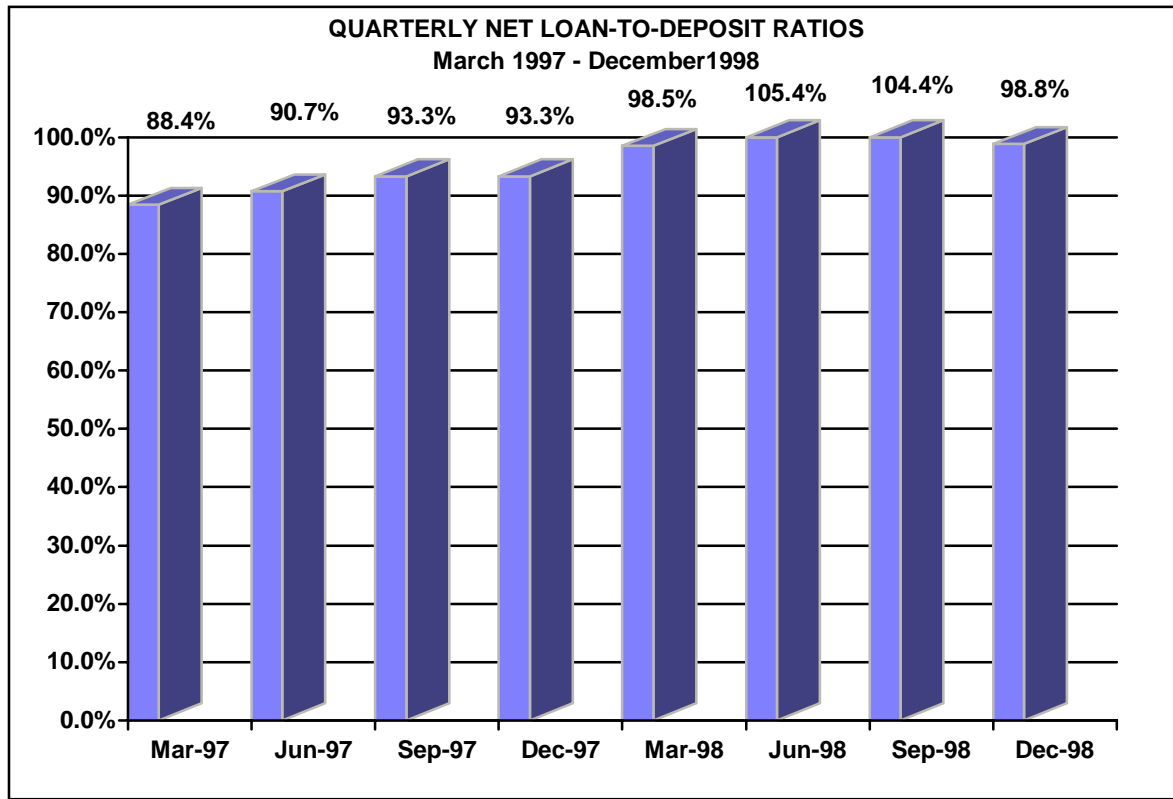
The area's largest employers are Tufts University, Bunker Hill Community College, Wonderland Dog Racing Track, Suffolk Downs Horse Racing Track, Fleet Bank, local hospitals and city governments. Unemployment stands at 3.9 percent, which is consistent with the state average.

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

An analysis of Everett Co-operative Bank's net loan-to-deposit ratio was performed during the examination. The analysis utilized the last eight quarters of the Federal Financial Institutions Examination Council (FFIEC) Call Report data for this institution. The bank's net loans to total deposits, as reported to the FFIEC, were reviewed for the quarters ending March 31, 1997 through December 30, 1998. The institution's average net loan-to-deposit ratio for this period was 95.4 percent. This ratio is based on total loans net of unearned income and net of allowance for loan and lease losses (ALLL) as a percentage of total deposits.

The following graph indicates a sustained pattern of growth during this time period, from a low of 88.4 percent for the period ending March 31, 1997, to a high of 105.4 percent for the period ending June 30, 1998. As indicated below, net loan-to-deposit ratios dropped slightly in September and December 1998.



Source: QUARTERLY CALL REPORT DATA

Call Report data indicates growth in total loans and deposits for most quarterly periods. As previously stated, the bank's goal is to continue to increase asset size. As indicated by the above quarterly ratio analysis, loan growth has been outpacing deposit growth resulting in higher loan-to-deposit ratios. The institution has relied upon additional borrowings to augment the deposit growth to assist in meeting the increased loan demand.

Based upon the bank's capacity to lend, the lending capacity of other similarly-situated institutions doing business within the assessment area, demographic and economic factors present in the assessment area, and the lending opportunities available within the assessment area, the bank's net loan-to-deposit ratio exceeds the standards for satisfactory performance.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

An analysis of lending inside the institution's assessment area was performed by reviewing the 1997 and 1998 Home Mortgage Disclosure Loan Application Registers (LAR). Applications received were sorted by census tract and assigned to the appropriate city or town. The following tables depict the distribution of HMDA related loan originations by number and dollar amount inside and outside the bank's assessment area.

MORTGAGE LOANS BY NUMBER OF ORIGINATIONS

	1997		1998		TOTALS	
LOCATION	#	%	#	%	#	%
EVERETT	52	52.0	105	54.1	157	53.4
MALDEN	12	12.0	27	13.9	39	13.3
REVERE	16	16.0	18	9.3	34	11.6
MELROSE	9	9.0	12	6.2	21	7.1
MEDFORD	4	4.0	12	6.2	16	5.4
CHELSEA	5	5.0	12	6.2	17	5.8
SOMERVILLE	1	1.0	5	2.6	6	2.0
WINTHROP	1	1.0	3	1.5	4	1.4
INSIDE ASSESSMENT AREA	100	71.4	194	69.0	294	69.8
OUTSIDE ASSESSMENT AREA	40	28.6	87	31.0	127	30.2
TOTALS	140	100.0	281	100.0	421	100.0

MORTGAGE LOANS BY DOLLAR AMOUNT

	1997		1998		TOTALS	
LOCATION	\$	%	\$	%	\$	%
EVERETT	5,470	51.9	10,543	52.4	16,013	52.2
MALDEN	1,180	11.2	3,014	15.0	4,194	13.7
MELROSE	1,110	10.5	1,640	8.1	2,750	9.0
REVERE	1,606	15.2	1,604	8.0	3,210	10.5
MEDFORD	556	5.3	1,549	7.7	2,105	6.9
CHELSEA	388	3.7	960	4.8	1,348	4.4
SOMERVILLE	164	1.6	571	2.8	735	2.4
WINTHROP	74	0.7	258	1.3	332	1.1
INSIDE ASSESSMENT AREA	10,548	64.7	20,139	62.1	30,687	63.0
OUTSIDE ASSESSMENT AREA	5,747	35.3	12,276	37.9	18,023	37.0
TOTALS	16,295	100.0	32,415	100.0	48,710	100.0

As indicated above, 69.8 percent of the number of residential and home improvement mortgage originations, and 63.0 percent of the dollar amount, were inside the bank's assessment area. During the time period covered by this examination, the bank purchased 20 loans with a total dollar value of \$5,794,500. Only one of these purchased loans \$190,000 was inside the assessment area. The purchase of these loans had an adverse effect on the percentage of loans originated inside versus outside the assessment area.

The volume of originations, when compared to aggregate peer data provided through PCI Inc., CRA WIZ, indicates that Everett Cooperative Bank was ranked number twenty-two in its assessment area for HMDA reportable mortgage originations for calendar year 1997.

The 21 lenders ranked higher than Everett Cooperative Bank included major national mortgage companies and large financial institutions such as Chemical Bank, BankBoston N.A., Bank of America FSB, Countrywide Funding, and Fleet National Bank. No other similar sized institution ranked higher than Everett Cooperative Bank.

Small Business Loans

At the request of management, a review of the bank's small business loan data for calendar year 1997 and 1998 was conducted. A small business loan, as defined in the FDIC Call Report instructions, is "... a loan with an original amount of \$1 million or less ... secured by nonfarm nonresidential properties; or commercial and industrial loans to US addresses." The institution's small business loan data indicated that 59 loans totaling \$8,760,000 were originated during the period reviewed. Of this total, 38 loans, representing 64.4 percent the number and 52.1 percent of the total dollar amount, were originated within the assessment area.

SMALL BUSINESS LOANS BY NUMBER				
	1997-1998		TOTALS	
LOCATION	#	%	#	%
INSIDE ASSESSMENT	38	64.4	38	64.4
OUTSIDE	21	35.6	21	35.6
TOTALS	59	100.0	59	100.0

Source: Small Business Loan Data

SMALL BUSINESS LOANS BY DOLLAR AMOUNT				
	1997-1998		TOTALS	
LOCATION	\$ (000)	%	\$ (000)	%
INSIDE ASSESSMENT	4,578	52.1	4,578	52.1
OUTSIDE ASSESSMENT	4,208	47.9	4,208	47.9
TOTALS	8,786	100.0	8,786	100.0

Source: Small Business Loan Data

The bank's level of small business lending indicates that the institution is responsive to small business credit needs within the assessment area. This level of activity augments the institution's high level of performance in meeting the credit needs within its assessment area.

Based on the aforementioned lending activity, coupled with the bank's limited branch network and competition from larger institutions, Everett Cooperative Bank exceeds the standards for satisfactory performance within this category.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

An analysis of HMDA reportable loan originations extended within the institution's assessment area among various income levels was conducted. Originations were categorized by the ratio of the applicant's reported income to the Department of Housing and Community Development (HUD) 1997 and 1998 estimated median family incomes of the Boston Metropolitan Statistical Area (MSA). For 1997 and 1998, the median incomes for the Boston MSA were \$59,600, and \$60,000 respectively.

Income levels are defined by the US Census Bureau. Low-income is defined as income below 50% of the median family income level for the MSA; moderate-income is defined as 50 to 79% of the median family income; middle-income is defined as income between 80 and 119% of the median family income; and upper-income is defined as income greater than 120% of the median family income. The following table details the performance of the institution relating to lending to borrowers of different income levels.

MORTGAGE LOAN ORIGINATIONS BY INCOME OF BORROWER

% OF MEDIAN MSA INCOME	1997		1998		TOTAL	
	#	%	#	%	#	%
<50%	8	8.0	11	5.7	19	6.5
50% - 79%	30	30.0	49	25.3	79	26.9
80% - 119%	37	37.0	77	39.7	114	38.8
120% >	23	23.0	56	28.9	79	26.9
N/A	2	2.0	1	0.5	3	1.0
TOTAL	100	100.0	194	100.0	294	100.0

Source: HMDA Data/CRA WIZ

The bank made 33.4 percent of its reportable loans to low-and moderate-income borrowers within the assessment area. According to 1990 census data, low-income households represent 29.0 percent of the total households within the assessment area, moderate-income households represent 19.0 percent; middle-income households represent 21.0 percent; and upper-income households represent 31.0 percent. In addition, 10.75 percent of these households are below the poverty level, thus limiting the number of lending opportunities among low-income households. Of the housing units in the assessment area, only 52.74 percent are owner occupied. This indicates a high number of rental units, which also influences the lending opportunities available.

Aggregate data analysis provided through PCI Inc., CRA WIZ indicates that Everett Cooperative Bank was ranked eighteenth in its assessment area for HMDA reportable mortgage originations to both low- and moderate-income applicants for calendar year 1997. As indicated previously, those lenders ranked higher included large national mortgage companies and large financial institutions.

As depicted in the table below, Everett Cooperative Bank originated 38.0 percent of its HMDA reportable loans in 1997 to low- and moderate-income borrowers. Aggregate data for all other lenders within the assessment area for the same period, reveals that 29.3 percent of all originations within the assessment area were to low- and moderate-income borrowers.

Distribution of Credit Among Different Income Level
Everett Cooperative Compared to All Other HMDA Reporters

% Of Median MSA Income	Number of Loans				Dollar in Loans (000's)			
	Everett Coop 1997		All Other Reporters		Everett Coop 1997		All Other Reporters	
<50%	8	8.0	510	6.5	443	4.2	35,150	3.8
50-79%	30	30.0	1,782	22.8	2,588	24.5	174,492	19.0
80-119%	37	37.0	2,262	29.0	4,338	41.1	267,835	29.1
>120%	23	23.0	1,980	25.4	2,694	25.5	275,752	30.0
NA	2	2.0	1,272	16.3	485	4.6	166,624	18.1
Total	100	100.0	7,806	100.0	10,548	100.0	919,853	100.0

Source: 1997 CRA WIZ

Given the assessment area profile and the level of lending to low- and moderate- income applicants, the distribution of credit among different income levels is considered to exceed satisfactory performance levels.

Small Business Loans

As previously mentioned, at the request of management, a review of the bank's small business loan data for calendar year 1997 and 1998 was conducted. The institution's small business loan data indicated that 59 loans totaling \$8,786,000 were originated during the period reviewed. Of these 59 loans 38, representing 64.4 percent of the total number and 52.1 percent of the total dollar amount were originated within the assessment area.

A review of annual revenues of small business lending inside the assessment area indicated that the vast majority of lending was to businesses with annual revenues of less than \$1 million. Of the 38 loans originated inside the assessment area, 30, or 78.9 percent, were to businesses with annual revenues under \$1 million. Additionally, 70.2 percent of small business dollars loaned within the assessment area went to these same businesses. This level of lending to small businesses indicates the bank's willingness to help meet the credit needs of its community.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

An analysis of HMDA reportable loans extended within the various census tracts contained in the bank's assessment area was conducted during the examination. The bank's assessment area is comprised of 66 census tracts. Of these census tracts, 2 are

designated as low-income, 25 as moderate-income, 36 as middle-income, 2 as upper-income, and 1 as NA.

During the review period, the bank originated 60.8 percent of its HMDA reportable loans within its assessment area to low and moderate-income census tracts, followed by 37.4 percent in middle-income census tracts and 1.7 percent in upper-income census tracts.

Refer to the following table for more information on the bank's residential mortgage originations within its assessment area.

MORTGAGE ORIGINATIONS BY CENSUS TRACT

CENSUS TRACT	1997		1998		TOTAL	
	#	%	#	%	#	%
Low	0	0.0	1	0.5	1	0.3
MODERATE	58	58.0	120	61.9	178	60.5
MIDDLE	40	40.0	70	36.1	110	37.4
UPPER	2	2.0	3	1.5	5	1.7
TOTAL	100	100.0	194	100.0	294	100.0

Source: HMDA/LAR Data/CRA WIZ

Aggregate data for 1997 for all other lenders within the assessment area reveals that 1.0 percent of all originations within the assessment area were in low-income census tracts, 32.3 percent in moderate-income census tracts; 60.0 percent in middle-income tracts; and 6.6 percent in upper-income tracts.

Distribution of Loans Within the Assessment Area **by Census Tract Income** **Everett Cooperative Bank Compared to All Other HMDA Reporters**

Census Tract Income Category	Number of Loans				Dollar in Loans (000's)			
	Everett Coop 1997		All Other Reporters		Everett Coop 1997		All Other Reporters	
Low	0	0.0	80	1.0	0	0.0	6,890	0.7
Moderate	58	58.0	2,523	32.3	5,589	53.0	270,267	29.4
Middle	40	40.0	4,686	60.0	4,613	43.7	567,133	61.7
Upper	2	2.0	517	6.6	346	3.3	75,563	8.2
Total	100	100.0	7,806	100.0	10,548	100.0	919,853	100.0

Source: 1997 CRA WIZ

Everett Cooperative Bank's lending within the low- and moderate-income census tracts exceeds the aggregate performance of all other HMDA reporters inside the assessment area.

Based on the analysis of the geographic distribution of loans, the bank exceeds the standards of satisfactory performance in generating originations from all segments of its assessment area.

Small Business

The bank does not track its small business lending by census tract, therefore complete analysis under criteria could not be performed. However, of the 38 small business loans originated inside the assessment area, 33 were in Everett. Everett is comprised of 7 census tracts, 6 of which are moderate-income, and 1 of which is middle-income. The additional originations were as follows: Revere, 3; Chelsea, 1; and Malden, 1. Based upon the demographics of the area in which the vast majority of small business lending took place, it would appear that the bank would have good penetration into moderate-income census tracts.

5. REVIEW OF COMPLAINTS/FAIR LENDING

The bank's CRA Public Comment File and Division files were reviewed. There have been no CRA related complaints since the last examination.

FAIR LENDING POLICIES AND PRACTICES

STAFF TRAINING

The bank conducted 1 in-house diversity training class for all employees during the period under review. Topics covered included Regulation B and fair lending topics and issues.

STAFF COMPOSITION AND COMPENSATION

As of September 30, 1998, the bank had 43 employees, 4 of who are minorities. The bank employs individuals who speak Italian, Spanish and Vietnamese.

The bank employs 2 mortgage originators who are paid on a commission basis. The commission structure is such that originators are encouraged to make loans of all amounts.

OUTREACH

The bank has developed relationships with several area organizations, which assists in its monitoring of community needs as well as informing the community of the credit services offered by the institution. Bank management maintains membership and/or close relationships with the Everett Development Finance Corporation, Everett Rotary, Everett Chamber of Commerce, Whidden Memorial Hospital and other civic and social organizations

CREDIT PRODUCTS AND UNDERWRITING STANDARDS

The bank offers both fixed and adjustable rate mortgages and participates in various flexible-lending programs. The bank's participation with the Massachusetts Housing Finance Agency (MHFA), the First Time Homebuyer Program, the 30-year Fixed Rate Affordable Housing Program and the Reverse Mortgage Program with HOME has been attractive to low- and moderate-income borrowers. These programs feature higher qualifying ratios, lower downpayment requirements, reduced or zero point closing options or interest rate discounts.

MARKETING

The bank consistently advertises in community newspapers. This includes the Everett Leader Herald, the Malden News, and the Middlesex East. The contents of the advertisement cover a full range of the bank's products, including loans and mortgages. The bank also conducts seminars, meetings, and community outreach to dispense information about its products and educate the community about its loan programs.

CREDIT EDUCATION

During the Review period, the bank sponsored several First Time Homebuyers Seminars. Topics at the Seminars include, "Shopping for a Home", "Obtaining a Mortgage", "The Loan Closing".

COUNSELING

The bank refers customers who are in need of credit counseling to the appropriate credit counseling services.

SECOND REVIEW PRACTICES

The Management Loan Committee reviews all loan decisions. All denied applications are reviewed prior to applicants being notified. Denied applications are reviewed to ensure fair and unbiased treatment was applied.

INTERNAL CONTROL PROCEDURES

The bank contracts with an outside accounting firm to conduct compliance and quality control audits.

MINORITY APPLICATION FLOW

Residential mortgage and home improvement applications received from minority applicants from within the assessment area during the 1997 and 1998 were reviewed.

During this period, the bank received a total of 32 applications from minorities. Refer to the following table for further information.

APPLICATION FLOW								
	EVERETT 1997		EVERETT 1998		EVERETT TOTAL		1997 AGGREGATE	
RACE	#	%	#	%	#	%	#	%
Native American	0	0.0	6	2.8	6	1.8	22	0.2
Asian	3	2.7	6	2.8	9	2.7	448	4.0
Black	2	1.8	5	2.3	7	2.1	286	2.6
Hispanic	2	1.8	3	1.4	5	1.5	397	3.6
Joint Race	2	1.8	2	0.9	4	1.2	149	1.3
Other	0	0.0	1	0.5	1	0.3	203	1.8
TOTAL MINORITY	9	8.0	23	10.6	32	9.7	1,505	13.5
White	104	92.0	194	89.4	298	90.3	7,186	64.3
NA	0	0.0	0	0.0	0	0.0	2,479	22.2
TOTAL	113	100.0	217	100.0	330	100.0	11,170	100.0

Source: ©PCI Services, Inc, CRAWIZ

According to the 1990 US census, there are 42,128 minority residents in the bank's assessment area representing 12.36 percent assessment area's total population. Aggregate HMDA data for calendar year 1997, which was compiled by PCI Services, Inc. CRA Wiz, indicated that of the 11,170 applications received by all other financial institutions in the assessment area, 1,505 or 13.5 percent were from minority applicants. Total originations for the aggregate was 12.7 percent. Of the 113 applications received by Everett Cooperative Bank in 1997, 8.0 percent were from minority applicants. Originations from minority applicants accounted for 8.0 percent of total originations in 1997, which is below that of other institutions operating within the assessment area. Improvement is noted in 1998 with 10.6 percent of all applications coming from minorities, which amounts to 8.8 percent of all originations.

EVALUATION OF QUALIFIED INVESTMENTS, GRANTS AND SERVICES

In addition to the five performance criteria detailed above, at the request of management, a review of the institution's qualified investments, grants and services was also performed.

- **Chelsea Neighborhood Housing Service** – non-profit agency committed to long-term development and management of affordable rental housing in rehabilitated, formerly distressed properties. An Everett Cooperative Bank Vice president served as a member of the loan committee. The bank also contributed \$1000 over the review period.

- **Home Options for Massachusetts Elders (H.O.M.E.)** - a non-profit program that provides in-depth, in-home counseling on financial, housing and resource options to low-income elderly homeowners. A Vice President served on the lender subcommittee for this organization. The bank has contributed \$1,850 over the time period covered by this examination.
- **Mystic Valley Elder Services** – a non-profit agency which secures and distributes funds to local communities and organizations to provide medical, social and human resources to area elders. A Vice President served as a director and member of the finance committee for this organization. The executive assistant to the president is involved in the Massachusetts Money Management Program, which offers free money management services to low-income elders. The bank contributed \$200 during the period reviewed.
- **Salvation Army - Malden Unit** - a non-profit organization which assists needy individuals and families within the bank's assessment area. The bank has contributed \$165 over the time period covered by this examination.
- **Consumer Credit Counseling of Massachusetts, Inc.** - non-profit agency that assists individuals through credit counseling and education programs. The bank has contributed \$1750 to this organization over the review period.
- **United Way of Massachusetts Bay** - The bank contributed \$3300 for the two-year period.
- **Everett Development and Finance Corporation** – an organization whose primary purpose is to improve the living conditions in the City of Everett through revitalization, employment, and new business opportunities. The President of Everett Co-operative Bank serves as a director.
- **Savings Makes Cents Program** – the bank has instituted this program in 3 Everett schools. The program is aimed at educating elementary school children on the benefits of saving.
- **Basic Banking for Massachusetts** – a voluntary program designed to offer low- and moderate-income individuals access to affordable banking products and services.
- **Free Government Check Cashing** – available to non-customers.

The participation of staff of Everett Co-operative Bank in the above community agencies, as well as the bank's financial support of these organizations is considered to be another indicator of its commitment to its community and serves as an enhancement to its performance under the Community Reinvestment Act.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

EVERETT CO-OPERATIVE BANK

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **JANUARY 20, 1999**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

_____	_____
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_____	_____
_____	_____
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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 19 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each local community;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that community.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.